

2003/2004 GENERAL CENTER PROGRAM
LANGUAGE CHANGES TO THE FT&CS
(GCTR/GCAM)

Section II.P, General Provisions, Conflicts of Interest (p.7) shall be amended as follows:

P. Conflicts of Interest

For any transaction to which the contractor is a party and the other party is: (a) an officer or employee of the contractor or of an organization having financial interest in the contractor; or (b) a partner or controlling stockholder or an organization having a financial interest in the contractor; or (c) a family member of a person having a financial interest in the contractor, the transaction(s) shall be fair and reasonable and conducted at arm's length.

Based on corporate law (Corporations Code sections 310, 5233-5234, 7233 and 9243 as applicable) the general rules that would be followed to ensure that transactions are conducted "at arm's length" include: (1) prior to consummating the transaction, the governing body should authorize or approve the transaction in good faith and the board should require the interested party, or parties, to make full disclosure to the board both in writing and during the board meeting where the transaction is being discussed and (2) all parties having a financial interest in the transaction should refrain from voting on the transaction and it should be so noted in the board minutes.

~~Rental costs under less than arms length leases are allowable only up to the amount that would be allowed had title to the property vested in the organization. For this purpose, a less than arms length lease is one under which one party to the lease agreement is able to control or substantially influence the action of the other. Such lease include, but are not limited, to those between (i) divisions of an organization; (ii) organizations under common control through common officers, directors, or members; and (iii) an organization and a director, trustee, officer, or key employee of the organization or his immediate family either directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest. Any transaction described in this paragraph shall be disclosed by the auditor in the notes to the financial statement in the annual audit.~~

If the transaction involves the renting of property, either land or buildings, owned by affiliated organizations, officers or other key personnel of the contractor or their families, the board of directors shall request the interested party to obtain a "fair market rental estimate" from an independent appraiser. If the contractor has no board or is a sole proprietor, the requirement for a "fair market rental estimate" shall also apply. The contractor has the burden of supporting the reasonableness of rental costs. If the property is owned by the contractor, rental costs are not reimbursable and costs may be claimed

only as depreciation or use allowance. Any transaction described in this paragraph shall be disclosed by the auditor in the notes to the financial statement in the annual audit.

Rental costs for equipment owned by affiliated organizations, officers or other key personnel of the contractor or their families are allowable only as use or depreciation allowance.

Section IV. B, Subcontracts, Admission Priorities, Waiting List and Displacement (p. 11- This subsection was inadvertently copied to wrong section) shall be amended as follows:

~~If the facesheet of this agreement specifies an amount for infants and toddlers, expanded services shall be provided exclusively to eligible infants and toddlers in accordance with the following priorities:~~

~~First Priority: Child protective services as defined in Section I above shall be admitted first. Within this priority, children receiving protective services through the local county welfare department shall be admitted first.~~

~~Second Priority: All children and families who are not within the first priority for admission shall be admitted in accordance with family income, with the lowest per capita income admitted first. For purposes of determining the order of admission, public assistance grants are counted as income. When two (2) or more families have the same income the family that has been on the waiting list the longest shall be admitted first.~~

~~Campus Child Care: Children of students attending the school at which the program is located shall be admitted first, in the order specified above.~~

~~In accordance with Education Code Section 8263(b)(3), the CDE may grant a waiver to the priorities specified above in order for the contractor to serve specific populations. Requests may not include waiver of the fee schedule or admission of ineligible families. Waiver requests shall be submitted to the GDD and approved prior to implementation.~~

~~Except for situations where not all of the children in a family are certified based on child protective services or the child's special need, a family that has a child or children enrolled in a program shall be allowed to enroll additional children provided there exists an appropriate program opening such as infant care or services to school age care children in which to enroll the child.~~

~~When not all of the children in a family are certified based on child protective services or the child's special need, the other children or the parents in the family must meet both eligibility and need criteria as specified in Sections II.B and II.C above prior to enrollment and shall be admitted in accordance with priorities specified above.~~

~~Contractors shall not deny service to nor assign a lower priority to a family that needs less than full-time services.~~

~~Contractors shall maintain a current waiting list in accordance with admission priorities. Contractors shall contact applicants in order of priority from the waiting list as vacancies occur. If it is necessary to displace families, families shall be displaced in reverse order of admission priorities.~~

Section I, Definitions, Program Requirements, (p.30) shall be amended as follows:

“Income eligible” means that a family’s adjusted monthly income is at or below seventy-five percent (75%) of the state median income, adjusted for family size and adjusted annually. ~~Children who were in subsidized child care programs with an exit criterion of one hundred percent (100%) of the state median income adjusted for family size who were above seventy-five percent (75%) of the state median income on December 31, 1997 shall not be displaced and shall continue to receive services as long as they continue to meet the criteria that applied to the program on December 31, 1997.~~

Section II.A, Eligibility and Need Criteria and Documentation, General Requirements (p.31, second paragraph) shall be amended as follows:

Children who have reached their ~~fourteenth (14th)~~ thirteenth (13th) birthday are ineligible for subsidized services except that children with exceptional needs and severely handicapped children may be served through age twenty-one (21). Children with exceptional needs shall also meet the criteria for that age group specified in Education Code Section 56026 and Title 5 California Code of Regulations, Section 3030 and 3031.